



Energy Companies Serve Up Better Customer Experiences Through Technology

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Biography

Nick Mitchell is the Managing Director, EMEA, at intuitive customer experience company [24]7. Nick has a background of delivering IT supported, business transformation programs, along with providing differentiated customer service solutions. With [24]7 he works with some of Europe's most prominent brands to deliver a more intuitive and omnichannel customer experience.

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Abstract

Energy firms have sometimes come under fire for not passing on the full price reduction in wholesale energy costs to their customers, but the 'Big Six' also share a common problem of complaints about customer service. When your product is a commodity, customers will gravitate towards whatever differentiates you from the rest of the crowd — and, more often than not, that means good customer service. So how with the help of technology energy companies win back their customers' trust and, ultimately, their custom?

Customer service

In a highly competitive market, energy firms need to improve customer attraction and retention. But hampered by nondescript public images and lacking distinctive value propositions, they often have trouble differentiating themselves from the pack. So, what can energy companies do to make themselves stand out from the crowd and what do their customers care about the most?

Well, you might think it's cheap gas and electricity all the way, but an excellent customer experience is also a huge factor when energy is a commodity in a market of virtually interchangeable offerings. When your product is a commodity, customers will gravitate towards whatever differentiates you from the rest of the crowd — and more often than not, that means customer service.

('Customer service' in this context means handling complaints, as well as simple requests such as a change of address, along with any technology that customers can use to communicate with their energy supplier such as a smartphone app or website for example).



Technology and Innovation

It sometimes seemed as if customer service was not always a top priority for energy companies and that they had overtaken banks as Public Enemy No 1 but this is now slowly changing. Recent reports published by the regulator, Ofgem, and consumer watchdog, Which?, indicated that the industry (primarily the six biggest energy companies that have around 90% of the domestic market) was not making fast enough progress in dealing with customers complaints and queries and in making the whole experience as simple and effortless as possible.

Phone calls

The telephone remains the main way in which customers choose to contact energy suppliers (49%) according to a Which? Report (*Which? Energy Companies Satisfaction Survey 2015*¹) yet a test by Which?, during which it called 16 energy companies twelve times and timed how long it took for a call to be answered, showed that for five of the Big Six companies, call times ranged from 6 minutes (E.ON) to 19 minutes 14 seconds (npower). Firms often struggle to deal with peaks and troughs of call volume (for example when there are power cuts) and customers complain they cannot easily get the information they need without making several attempts and across several channels.

Back in 2013, energy efficiency software company opower conducted extensive research² across 12 countries into what energy customers wanted. They found that while customers' top priority is lower bills, there are also several non-cost factors that strongly influence customers' perception of cost: these include the quality of personalized information provided, the utility company's method of communication – what channels they use – and the customer's perceived relationship with the utility.

Customer expectations around personalization are likely to become even more pressing with the increase in the number of smart energy meters being installed, as these continuously record household energy usage and so offer far more opportunities for personalized and data-driven usage analysis.

Omnichannel

While the phone remains the main way in which customers contact their utility companies, companies still need to have an omnichannel approach to customer service to cover all their communication bases for those customers who prefer other mediums.

It is also essential that customers' information can be easily picked up from between the different channels to give them a seamless experience so that they don't have to repeat their query from scratch if they contact the company several times. One of the top irritations for customers is ringing up a company for maybe the third or fourth time and the company not knowing who they are or what their query was about, despite their previous contact.

That, along with customer service agents being unable to give them the information they need, when they need it and the endless time wasting that such calls often seem to attract – being left listening to Huey Lewis and 'The Power of Love' playing endlessly, interspersed with 'Your call is important to us' or 'We are currently experiencing high volumes of calls' on an endless loop. If these routine pet hates



can be reduced or even completely eliminated, then customer service will have improved by leaps and bounds.

It's not all just about investing money though, because the research highlights the idea of 'working smarter, not harder' to provide better customer service, as well as offering different mediums – for example, apps and websites – for customers to access their routine account information. The main point of all this is that customer should be able to access information easily and seamlessly across every medium – if that is how they choose to access it.

Investment

A measure of how seriously the utility companies are taking customer service is that earlier this year, industry analysts IDC reported that over the next 12 months, one in every two Western European energy retailers will invest in a new customer care solution. They also revealed that one in every four utility customer operations teams expects to invest in enhancing and/or upgrading their existing billing solution. And 27.4% of survey respondents for utilities' customer operations indicated that they plan to invest in CRM solutions in the public cloud.

Customer care is no longer just a 'nice-to-have', optional extra for energy companies – customers' trust needs to be won back and investment in technology is an option.

Of course, digitizing customer engagement is a business and must deliver hard business outcomes – a reduction in costs alongside an increase in NPS (Net Promoter Score) – or it won't be effective ROI. But the challenge of achieving better customer service with lower costs has been shown to be possible through technology-enabled services which all bodes well for the future of customer service. Around 78% of the UK's GDP is service related and the balance of power has shifted decisively to customers who now want a say in how their relationship with service providers is managed.

Reference

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